

ADDRESS TO THE GREATER BOSTON CHAMBER OF COMMERCE
MARCH 4, 2010

Good morning Paul. I'd like to thank the Chamber for having me here today. As you know, I've now been Speaker for more than a year. It has certainly been a year of challenge not only for those of us in government but for our citizens as well as you in the business community.

I am particularly glad to be here to speak with the Chamber today. That is because we share the same goals, the same focus. My purpose here is straightforward. I want to talk about how together we can create jobs in Massachusetts. This is an issue I've been working on with Rep. Brian Dempsey of Haverhill, who chairs the Committee on Economic Development and is here with me today. I'd also like to recognize Charley Murphy, the chairman of Ways & Means.

Much has happened since I last stood before you. We blocked massive toll increases. We stopped a gas tax that would have driven the prices of goods and services up throughout the state. We in state government -- the House, the Senate under the leadership of President Murray, and Governor Patrick -- produced a budget that, while not unanimously popular, won the praise of Moody's which cited our state's "effective management through a period of fiscal strain... in the current recession" and is being reaffirmed by three of the rating agencies right now. Finally, we passed an education reform bill that will better prepare our students for the future.

While we have much to be proud of, we are painfully aware of the jobs outlook in Massachusetts. Last month, The Boston Globe reported that our rate of unemployment had hovered just above 8 percent for 8 consecutive months. In December, the number rose to 9.4%, which was the worst since 1977. We know that when we include those whose unemployment benefits have run out, or those who have given up seeking jobs, the real unemployment rate is even higher.

As Speaker, I visit my share of union halls. There, conditions are dire. I routinely hear of unemployment rates in the 30 to 50 percent range. A recent and sobering Northeastern University study found that there were almost 65 unemployed people for each job opening in the construction trade.

The authors put these statistics in stark terms. They called it "The Blue Collar Depression." We know that behind each person without a job-- lies an individual or family struggling to survive. Food and shelter hang in the balance. Health care

costs continue to rise. These types of financial pressures can destroy families and shatter lives.

We must create new jobs. We cannot permit our pre-existing prejudices to obstruct our ability to create them. And, we will not. We will examine every tool in our toolbox, every idea in the laboratory, every proposal in the portfolio to create jobs.

That is why today I will talk about the next stage in our jobs plan. In January, I vowed to fully fund workforce development programs in FY '11 and to restore full funding in FY '10. On Feb. 4, the House of Representatives passed legislation to halt a scheduled increase in the unemployment insurance assessment that all employers pay, and I am proud to report that, not only did the Senate follow our lead, the Governor signed the legislation. I have traveled to Waltham and Lexington, New Bedford and Beverly, and in the coming weeks will visit Haverhill, Hyannis and other cities and towns throughout the state to hear first-hand what we can do to help.

Small business owners have cried out about the pain they face from health care costs. Small businesses are the source of most of the jobs in our economy. We will find responsible ways to address the health care issue and, in turn, to preserve and create jobs.

Now, I am prepared to do more. Like everyone in Massachusetts, I am grateful to have the long-time engines of our economy: healthcare, higher education, financial services and travel and tourism. I am also proud of the investments we have made in newer sectors, such as the life sciences and clean energy. The Massachusetts Life Science Center is, for example, on track to create more than one thousand jobs across our state. The wisdom of our investment in this area was reinforced this week by the decision of Merck to move its American headquarters to Billerica. The company's chairman explained the move, saying: "Massachusetts is an extremely attractive state to do business for research or innovative companies."

We are fortunate to possess both long time economic engines as well as innovative new sectors. Yet we must diversify. My goal is to help ensure all of our citizens, from those with advanced degrees to those with high school diplomas, find meaningful, sustainable employment.

That is why I want to introduce a new sector to our economy -- gaming. While I will file a bill later this month, I can now provide a broad outline of the specifics of our plan. We will seek a balance between maximizing state revenue and setting in

place those conditions that will allow our gaming facilities to thrive in the short and long term. Central to our thinking is the number of people who will be directly employed in gaming, as well as the funds that can be invested in other areas to create further jobs.

I have cautioned before and I will caution again: gaming is not a panacea. But it is a plan that creates a new economic sector and new jobs in Massachusetts when we need them most. And, we will reinvest a portion of whatever revenue we generate in economic development to create other new jobs.

Remember that even with the downturn, our competitors have continued to keep people employed in gaming. Quite simply, it employs people who might not otherwise be working. In November, Connecticut boasted 22,000 working in the gaming industry. Rhode Island had fewer, but they were not placed in the best position to succeed by their state. Since Pennsylvania legalized gaming in 2004, 8,200 permanent positions have been created.

It is quite possible – even likely – that these jobs will not be the high-wage jobs we have seen in other sectors of our state’s economy. Yet we cannot deny the obvious. They are value-added jobs – jobs that would help those suffering in the “Blue Collar Depression.”

The best way to create and retain these jobs is with a sense of balance. Accordingly, our proposal includes both slots at the race-tracks and resort destination casinos.

Regarding slots, I will propose a limited number of slots at our four racing venues across the state. I see locations that have a history of wagering as providing a more immediate form of revenue. Slots will also allow these facilities to retain the jobs of those who have worked there for years.

Do I have a parochial interest on this? Absolutely, and I have not been bashful about saying that. I have two tracks in my district. And, I have seen first-hand what employment means for the security guards, food purveyors and teller-window operators. For many years, I saw my father put on his maitre d’s tuxedo to go to work at the restaurant at Suffolk Downs as well as the servers, cleaners and dishwashers that the facility employed. It may not have been glamorous for everyone.... But it supported families. And nothing is more important than that.

Looking to long-term jobs, we will support two resort casinos in Massachusetts.

Permit too many venues, and we run the risk of dooming them from the start. If we allow too few, we risk failing to maximize our investment. I refuse to do that.

While I am reluctant to over-sell the revenue benefits of gaming, I am willing to talk about funds we know we will have; namely, revenue from licensing fees. This represents the one-time revenue that can be the foundation of our job creation efforts. A portion of the licensing fees will go toward helping Massachusetts manufacturers. I have said many times previously that we should adopt the motto coined by New York Times columnist Tom Friedman: “Invented here, manufactured here.”

This is not easy work. We must change the tone and find ways to make our state more attractive to manufacturers. We already have many of the needed attributes: a highly educated workforce, a strong research and development sector, technological know-how, and a proud tradition. But in today’s tough business environment we need more. From the proceeds of our licensing fees, we will create a fund, which will help manufacturers who require capital improvements. This will both attract new manufacturers to come to Massachusetts and encourage those already here to stay.

That’s not all. We need to tie our community colleges and vocational schools more closely to specific growth industries in Massachusetts. In order to secure our economic future, we will devote another portion of this revenue to making sure our community college and vocational school students learn trades and skills they can put to use in specific industries.

One model is Bunker Hill Community College. I spoke recently to Mary Fifield, the school’s president, who told me about the terrific partnerships it has with NStar, the East Boston Community Health Center, and others. Students can participate in the NStar program and walk out of Bunker Hill with a degree and a job. They can learn how to become certified medical interpreters and go to work at the health center. These are just a couple of the types of things we can build on with the funds we realize from gaming licenses. We can finally do more than talk about these programs. We can act.

Over time we will receive additional revenue from both our slot and resort gaming facilities. Again, we will have to make tough decisions about where this money should go.

Let me say very plainly, I am aware of the social cost of gaming. During the past

year, I have spoken to advocates for gaming addiction programs, such as Cathy Scanlon, and family members of those whose lives have been destroyed. There is no doubt that there is a social cost to gaming. But, too often we forget, there is also a social cost to joblessness. We need to get people working. We will devote a portion of any gaming revenue to addiction treatment programs.

Beyond gaming, I want to say I saw the Chamber's recent release of its economic plan. While we are still in the midst of reviewing your ideas, I want to take this opportunity to restate something I have stated previously: The budget we will propose this spring will not include a tax increase.

In addition, I am concerned that we risk financial uncertainty due to changing our tax policies too frequently. I do not believe it is wise or fair to change the rules midstream. Such plans require predictability. We will work to sustain that.

Our success was never inevitable. When the founders of our state came here a little less than four centuries ago, they encountered, according to one history: "rough, rocky soil [which] made the clearing and cultivation of large plots of land impossible." Our state thrived because we had the ingenuity and determination to make it happen. Our state can thrive once again.

To stay competitive we must take calculated risks and make prudent investments. The needs of our workers demand that. We will use the fruits of our new endeavor to set our state on a path for the future. With all of us working together... that future will be bright.

Thank you.